

# Arun District Council

<b>REPORT TO:</b>	<b>Housing &amp; Wellbeing Committee</b>
<b>SUBJECT:</b>	<b>Single Homeless Accommodation Programme update</b>
<b>LEAD OFFICER:</b>	<b>Jayne Knight, Housing Options Manager</b>
<b>LEAD MEMBER:</b>	<i>Councillor Carol Birch – Chair of Housing and Wellbeing Committee</i>
<b>WARDS:</b>	<b>All</b>

## **CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION:**

Provide a mixed housing economy within the district for all, regardless of age or circumstances, where different types of homes are available, and people can choose to rent or buy.

Support those in our community that most need help, providing a safety net where necessary and working with people and organisations to meet different needs.

Support households with complex needs to secure suitable accommodation.

## **DIRECTORATE POLICY CONTEXT:**

The objective of SHAP is to increase the supply of high-quality, longer-term accommodation with accompanying support to address gaps in homelessness pathway provision.

The current homelessness strategy identifies the need to increase housing supply across all tenures.

- To supply the housing that Arun residents need
- To maximise Homes England grant funding to ADC
- To make housing affordable and sustainable
- To work in partnership with Housing Associations to maximise delivery of affordable housing.

One of the main objectives of this Housing & Homelessness strategy is to create sustainable communities to meet the needs of all residents. We are keen to support vulnerable people to live a full and independent life with the same choices, opportunities, and responsibilities as the rest of the community.

## **FINANCIAL SUMMARY:**

Schemes had to be ready to occupy by March 2025, which was a short timescale, especially for building new properties.

We had identified potential schemes for submission within existing stock that could be converted for this project, but the financial appraisals for these potential bids were carried out and found to result in a negative cash flow for every year and this would have resulted in the council receiving no income or being unable to recover its initial investment.

## **1.0 PURPOSE OF REPORT**

- 1.1 The Purpose of this report is for information only. We were unable to proceed with the SHAP bid because the financial modelling for the scheme identified made it financially unviable.

## **2.0 RECOMMENDATIONS**

- 2.1 This report is only for the purpose of updating the committee.

## **3.0 EXECUTIVE SUMMARY**

- 3.1 Several options were explored, when looking at a Bid for SHAP.
- 3.2 Several properties were considered for purchase but had to be discounted, due to valuations not meeting the vendors desired market price.
- 3.3 Redevelopment of existing stock was appraised and discounted due to issues with financial modelling.

## **4.0 DETAIL**

- 4.1 Several models of accommodation were considered for SHAP. The purchase of several different properties was considered and then discarded as the financial modelling didn't work for those identified.
- 4.2 Two areas of land owned by ADC, were considered to place modular housing on, but DLUHC were not happy to support these plans, due to the length of time involved in the planning process.
- 4.3 The final potential project identified was the conversion or remodelling of 29 New Road. 29 New Road is HRA owned temporary accommodation currently used as 7 rooms with shared bathrooms and kitchens.
- 4.4 Planning was submitted to remodel the accommodation with an extension to the rear, to produce 5 self-contained units of SHAP accommodation.

- 4.5 The finance team appraised the financial models suggested for this scheme, but unfortunately with the loss of rents going from 7 to 5 units and the cost of borrowing being high, this resulted in negative cashflow every year and therefore the council would not have received any return on or recover its initial investment.
- 4.6 The planning application also received objections from Environmental Health, The Environment Agency, Private sector housing and Town Council/Planning.
- 4.7 On the basis of the above we were unable to proceed with a SHAP bid.

## **5.0 CONSULTATION**

- 5.1 N/A report for noting only.

## **6.0 OPTIONS / ALTERNATIVES CONSIDERED**

- 6.1 The timing of the financial decision, coupled with the tight timescales of the bidding process impacted our ability to source alternative options within the bid window which closed Mid- November.
- 6.2 Housing Options are reviewing alternative options to procure supported accommodation for single homeless going forwards.

## **7.0 COMMENTS BY THE GROUP HEAD OF FINANCE AND SECTION 151 OFFICER**

- 7.1 A surplus isn't generated until after year 40, which would be after the loan is fully repaid. The net present value is negative (-£157k) over the 40-year period. The net present value takes into account the time value of money.

## **8.0 RISK ASSESSMENT CONSIDERATIONS**

- 8.1 N/A for information, report for noting only.

## **9.0 COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER**

- 9.1 This report is for information only and there are no legal or governance implications

## **10.0 HUMAN RESOURCES IMPACT**

- 10.1 N/A for information, report for noting only.

## **11.0 HEALTH & SAFETY IMPACT**

11.1 N/A for information, report for noting only.

## **12.0 PROPERTY & ESTATES IMPACT**

12.1 N/A for information, report for noting only.

## **13.0 EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE**

13.1 As the bid did not progress, no persons have been discriminated against under the Equality Act. An EIA is not required.

13.2 The scheme may have brought social value by providing a supported accommodation pathway for applicants who are homeless, but not owed a statutory duty.

13.3 There are existing alternative pathways available, which rough sleepers can be referred to, within the Arun District.

13.4 Arun District Council will continue to explore alternative options to increase supported pathways, by working with our partners within the sector.

## **14.0 CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE**

14.1 N/A for information, report for noting only.

## **15.0 CRIME AND DISORDER REDUCTION IMPACT**

15.1 N/A for information, report for noting only.

## **16.0 HUMAN RIGHTS IMPACT**

16.1 N/A for information, report for noting only.

## **17.0 FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS**

17.1 N/A for information, report for noting only.

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### **CONTACT OFFICER:**

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**BACKGROUND DOCUMENTS:**

Appendix 1 – Financial Feasibility Assessment